

# INCLUSIVE BIRTH TO 3 CHILD CARE

Division of Early Care and Education

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Wisconsin Department of  
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## Overview

The Inclusive Birth to 3 Child Care (B-3CC) project is funded by Supplemental Discretionary Child Care and Development Block Grant (CCDBG) funds provided through The American Rescue Plan (ARP) Act of 2021. The project has been approved by the Wisconsin Legislature's Joint Committee on Finance, meeting under Wis. Stats. § 13.10, on February 9, 2022, to serve children who receive services from the [Department of Health Services \(DHS\) Birth to 3 program](#). This project will support coordinated service delivery for children and families who engage in both child care systems and the Birth to 3 program.

The project begins on August 1, 2022, as a pilot in the [Southern Income Maintenance \(IM\) Consortium](#) and will be rolled out statewide in October 2022. The project will end on September 30, 2024 and is expected to provide child care subsidies for approximately 1,400 children.

Child care subsidy funds will be authorized by [local Wisconsin Shares agencies](#) and by the [Milwaukee Early Care Administration](#) (MECA) in Milwaukee.

DCF will amend its Child Care and Development Fund (CCDF) Plan For Wisconsin FFY 2022-2024, to identify this population of children as "vulnerable children" as provided in 45 C.F.R. § 98.20(a)(3)(ii). It will further amend the Plan to provide waivers of income and asset requirements as provided in 45 C.F.R. § 98.20(a)(3)(ii)(A).

## Recruitment

Children enrolled in the Birth to 3 program who have an Individualized Family Service Plan (IFSP) in place on July 1, 2022, are eligible for the B-3CC program. Birth to 3 Service Coordinators in each of the 72 Wisconsin counties identify eligible children whose parents are interested in receiving child care subsidy funds. Local DHS B-3 agencies will send letters or reach out by phone call to potentially eligible families in the Birth to 3 program informing them of the B-3CC program. The letter includes contact information for the local Child Care Resource and Referral (CCR&R) agency to assist the family in locating a child care provider to care for their child and informs families of the next steps in the process. A release of information will allow DHS to provide demographic and program interest information to DCF. Families who are interested in participating in the B-3CC project must return the release of information form to their local Birth to 3 agency.

## Referrals

The local Birth to 3 Service Coordinator initiates a referral to the child care agency worker through an automated process in the Program Participation System (PPS). The PPS system transfers demographic information to Child care Subsidy Administration on the Web (CSAW). This information includes the child's name and date of birth, and the parent's name, address, and phone number. The referral will remain valid for up to three (3) months or until the child's third birthday, whichever comes first.

## Inactive Referral

A referral becomes inactive when no authorization has been created after 90 days on the referral list. After a referral is inactive, the authorization worker is no longer able to use that information to create an authorization. To reactivate the referral the Birth to 3 agency must update the PPS system again to trigger the referral.

## Intake

The Wisconsin Shares local agency will receive a CSAW dashboard task for each referral. The dashboard task prompts the authorization worker to contact the family by phone. Authorization workers must process these referrals in the order they are received. The authorization worker must make at least two (2) attempts to contact the parent within 30 days of receiving the referral and document those attempts in CSAW.

After the authorization worker has contacted the family, the authorization worker must ask the parent for the:

- Child's citizenship or immigration status.
- Child's Social Security Number (SSN).
- Name and address of the child care provider that has been selected.

The following children are not eligible for this program:

- A child who is not a citizen or a qualified immigrant.
- A child who does not have an SSN or whose parent does not provide the child's SSN.
- A child who is eligible in CWW at the time of the referral or participating in [Wisconsin Shares](#) at the time of the referral.
- A child whose parent is participating in [Partner Up!](#).

Based on information the worker enters in CSAW, the system will generate a letter to the family detailing the reasons why an authorization cannot be written.

## Authorizations

Each child is eligible for 12 months of full-time child care subsidy. Children are eligible for an authorization until the end of the 12-month period even if the child turns three years old during the 12-month period or stops participating in the Birth to 3 Program.

Parents are responsible for locating a licensed or certified child care provider who has or will complete a [Fidelity Information Services](#) (FIS) contract to accept electronic payment transfers.

No new children may receive authorizations for this project after June 30, 2023. At the end of the 12-month authorization period, the parent may apply for the Wisconsin Shares child care subsidy program.

## Eligible Child Care Providers

Child Care providers must be [licensed, certified, or be overseen by a public school board](#) in order to be eligible under this project, but do not need to be participating in the [YoungStar](#) Quality Improvement Rating System.

Child Care providers that have not already submitted their prices to the [local agency](#) must do that before an authorization under this project can be written to their location.

## Reporting Changes

Parents must report the following changes within 10 days of the change:

- The family moves to another county within Wisconsin.
- The child will be changing child care providers in the following month.
- The child is no longer attending the child care provider.
- The parent or child has moved out of the household or out of Wisconsin.

## Changing Child Care Providers

Families may change child care providers during their 12-month authorization period. Families must request a change in providers in the month prior to the month in which they plan to change providers. This must be done to ensure accurate payments are made to the correct child care provider as subsidy funds are paid directly to the child care provider at the beginning of the month for the whole month. The authorization worker must inform families of this requirement.

Changing child care providers during the middle of a month (after the subsidy has been paid for the month) is allowed under the following circumstances:

- The family moves to escape domestic abuse and it is not reasonable to travel to the current child care provider location.
- There is alleged abuse or neglect of the child by his or her current child care provider and a complaint has been made to the appropriate certification or licensing agency.
- The child is expelled from his or her current child care provider for behavior issues.
- The needs of a child with a disability are no longer being met by the current child care provider (for example, a teacher who supported the child has suddenly left the child care facility).
- The safety of the parent or child is threatened by remaining at the current child care provider.
- The family is evicted, and it is not reasonable to travel to the current child care provider location.
- A formerly homeless family finds stable housing and it is unreasonable to use the current child care provider.

- There is damage to the child care facility that creates an unsafe environment for children, such that it is impossible for them to continue to attend the same provider.
- The child care provider is temporarily closed and is located within an area affected by a state of emergency that has been declared by the Governor.
- The child care provider has voluntary, unforeseen permanent closure and the family needs to attend an alternate provider.
- The provider does not allow the child(ren) to attend due to circumstances that are outside of the parent's control (for example, the center has reached their regulatory capacity or provider-to-child ratios).
- The child care provider's regulation is suspended or revoked by a regulatory authority.

When the reason for the change is one of the scenarios above, the child care provider is not required to return that month's subsidy funds to the department. If the reason for a change in providers is not one of the scenarios listed above, the subsidy payment to the new provider will begin the next month after a new authorization has been written to the new provider.

## Family Move to a New County

If a family moves to a new county within Wisconsin while the child is on the referral listing and before an authorization for the subsidy is in place, no new referral from PPS can be created. To facilitate services for that family the local agency must reach out to the Child Care Help Desk at [childcare@wisconsin.gov](mailto:childcare@wisconsin.gov) for assistance with the transferal.

If a family moves to a new county after an authorization for subsidy is in place and if the family can retain the original child care provider, they may do so. However, if the family can no longer continue with the original child care provider the local agency must reach out to the Child Care Help Desk at [childcare@wisconsin.gov](mailto:childcare@wisconsin.gov) for assistance. The authorization to the new provider is limited to number of remaining months available on the 12-month limit or until June 30, 2024, whichever comes first.

## Subsidy Payments

Subsidy payments are issued to the child care provider through a direct payment transaction from the department to the child care provider's bank account. The subsidy amount is based upon the child's age at enrollment, the provider's price in CSAW, and the maximum rate for the geographical area and provider's regulatory type. CSAW will use the licensed family rate for both certified and licensed family providers.

## Subsidy Benefit Calculation

The subsidy calculation is based on a comparison of the provider's price, as recorded in CSAW and the [monthly maximum rate](#) for the geographical area, the child's age, and the provider type (certified, licensed family, licensed group).

## Out-of-Pocket Expenses

Some families will have out-of-pocket expenses. The maximum subsidy amount may be less than the child care provider's actual price. The subsidy does not include any registration fees or other fees a provider may charge such as fees for field trips, transportation, supplies, etc. The authorization worker must inform the parent of this possibility and must instruct the parent to talk to the child care provider about any additional costs that are not covered by the subsidy. Parents are responsible for knowing the actual provider price compared to the subsidy amount. The parent will be informed of the subsidy amount on their authorization letter. The child care provider must inform the family of any expenses that are not covered by the subsidy amount.

## Higher Rate

Parents of children with disabilities may be eligible for a higher subsidy amount to support any increased costs the child care provider may incur in providing care to a child with a disability. The authorization worker may consider additional subsidy amounts for providers caring for a child with a disability on a case-by-case basis. Not all children with a disability require these accommodations in the child care setting.

The higher rate helps to support any added expenses, such as specialized training or services. It is the provider's responsibility to comply with all aspects of the Americans with Disabilities Act (ADA). For more information on how the ADA applies to child care providers, please visit [Child Care Centers and the Americans with Disabilities Act](#).

If the provider requests a higher rate, the child care provider must provide a rationale and documentation of the extra costs associated with providing care for the child and the parent must provide documentation of the specific additional care that is needed to meet the child's physical, behavioral, or educational needs. This information provides the rationale for the specific accommodations that are needed.

This information is collected and documented on the [Wisconsin Shares Inclusion Rate Request form \(DCF-F-2976-E\)](#). After the child care provider has completed the "Provider Rationale" section, the parent is responsible for returning the form to the local agency.

Local agencies must use the approved higher subsidy amount in CSAW as an Override Provider Price Type when writing the authorization.

## Letter and Notices

The following letters are generated by CSAW:

- A parent Eligibility and Authorization letter
- A provider Authorization letter

## Dispute Resolution and Fair Hearings

Families who disagree with a determination related to this subsidy must contact their Wisconsin Shares local agency to resolve the difference. If the issue is not resolved to the parent's satisfaction, they may request a Fair Hearing. The parent must request the Fair Hearing through their local child care agency rather than through the Division of Hearings and Appeals. The parent Eligibility and Authorization letter will include this instruction.

The local agency worker must contact DCF, Office of Legal Counsel (OLC) by email to [DCFCallLegal@wisconsin.gov](mailto:DCFCallLegal@wisconsin.gov) to inform OLC of the Fair Hearing request. DCF - OLC will inform the Division of Hearings and Appeals of these Fair Hearing requests and will coordinate the process with the local agency.

## Waiting List

Children will receive authorizations on a first-come first-served basis. Families that provide all needed information to the authorization worker including an eligible child care provider and have an authorization in place will be counted as first served.

A system of monitoring expenditure obligations is used to track the number of authorizations created. When the expenditures reach the estimated maximum number of children served and funds available, a waiting list will be created. Families that are on the waiting list will be referred to the traditional Wisconsin Shares program as a potential option to meet their child care need.

## Program Integrity

An audit will be conducted by DCF staff to determine if any children served in the Inclusive Birth to 3 Child Care program were also served in the Wisconsin Shares or Partner Up! programs during the same period. If a child is found to have had an authorization for the Wisconsin Shares or Partner Up! programs during the same period as the Inclusive Birth to 3 Child Care authorization, the Inclusive Birth to 3 Child Care authorization will be ended as of the last day of the current month. A referral will be made to the BCCSA Program Integrity unit to further determine if fraud or an intentional program violation (IPV) has occurred.

Per the [CCDF Final Rule of 2016](#), there is no Federal requirement for Lead Agencies to recoup CCDF overpayments, except in instances of fraud. Therefore, if the results of the audit and investigation indicate that an IPV occurred, the Inclusive Birth to 3 Child Care authorization will be ended as of the last day of the current month and the parent will be responsible for an overpayment of any Birth to 3 funds received during the period(s) of time that the child was receiving funding in either the Wisconsin Shares or the Partner Up! program.

If an IPV is not discovered, the violation will be considered an unintentional error. The Inclusive Birth to 3 Child Care authorization will be ended as of the last day of the current month and a technical assistance (TA) letter will be provided to the parent. The TA letter will reiterate the rules of the program and state that adherence to the terms and conditions is a requirement for any future program participation.







## Wisconsin Department of Children and Families

The Department of Children and Families is an equal opportunity employer and service provider. If you have a disability and need to access services, receive information in an alternate format, or need information translated to another language, please call the Division of Early Care and Education at 608-422-6002. Individuals who are deaf, hard of hearing, deaf-blind or speech disabled can use the free